

CAISO BYLAW AMENDMENTS TO CONFORM TO AB 5X AND
APPROVED BY CAISO BOARD OF GOVERNORS ON APRIL 12, 2001

Change Number 1 (see Attachment B, p. 1): *Number of Governors (Article III, Section 2)* - changes number of members of the Board to five as required by AB 5X.

Change Number 2 (see Attachment B, pp. 2-3): *Definitions (Article III, Section 3)* - eliminates unnecessary definitions.

Change Number 3 (see Attachment B, p. 4): *Composition and Selection of the Governing Board/Classes in General (Article III, Section 4.1)* (as proposed to be amended would be renamed *Selection and Confirmation Procedures*) – provides that the Governor shall make appointments to the Governing Board, and that each appointee shall become a member of the governing board unless the EOB declines to confirm such appointment, and that if the EOB declines to confirm an appointee that the Governor may make another appointment for review and confirmation by the EOB as required by AB 5X.

Change Number 4 (see Attachment B, pp. 5-9): *Nomination of Governors (Article III, Section 4.2)* (as proposed would be renamed *Qualification of Governors*) – incorporates new qualification (non-affiliation) standards as required by AB 5X and eliminates the prior class-based election structure no longer relevant under AB 5X.

Change Number 5 (see Attachment B, p. 10): *Chairperson (Article III, Section 4.3)*– clarifies that under AB 5X the EOB cannot change the number of members of the Governing Board by selecting a chairperson from outside of the Governing Board as required by AB 5X. References to the “State Oversight Authority” are made for internal consistency purposes. The opening phrase “For so long as the State of California is the only Participating State,” is not required to conform to statute nor is it required for internal consistency. Indeed, the CAISO board objected to the inclusion of the same phrase in connection with Change Number 3. EOB staff recommend that the Board approve the proposed amendments to Article III, Section 4.3 subject to the CAISO governing board eliminating the phrase “For so long as the State of California is the only Participating State.”

Change Number 6 (see Attachment B, pp. 11-13): *Selection and Nominating Procedures in General (Article III, Sections 4.4--4.6)* - eliminates old nomination, selection and qualification provisions no longer relevant under AB 5X.

Change Number 7 (see Attachment B, p. 14): *Record Date (Article III, Section 5)*– eliminates and reserves section for future use; record date no longer needed under AB 5X.

ATTACHMENT A

Change Number 8 (see Attachment B, p. 15): *Term of Office of Governors (Article III, Section 6)*– changes to one-year terms, with unlimited additional terms and eliminates staggering of term language no longer relevant under AB 5X.

Change Number 9 (see Attachment B, p. 16): *Vacancies and Removal (Article III, Section 7)*– clarifies inconsistent cross-references.

Change Number 10 (see Attachment B, p. 17): *Governor’s Right to Appeal Certain State-Jurisdictional Matters (Article III, Section 13.4)* – removes old bylaw cross-references to EOB confirmation of certain categories of Board members no longer relevant under AB 5X.

Change Number 11 (see Attachment B, p. 18): *Compensation (Article III, Section 17.1—17.2)* – eliminates references to President as member of Board as required under AB 5X.

Change Number 12 (see Attachment B, p. 19): *Committees of Governors (Article IV, Section 1)* – eliminates reference to the need to balance Committees among range of stakeholder entities as no longer relevant under AB 5X.

Change Number 13 (see Attachment B, p. 20): *President (Article IV, Section 5)*– eliminates reference to President as member of the Board of Governors as required under AB 5X.

Change Number 14 (see Attachment B, p. 21): *Secretary (Article IV, Section 6)* – eliminates Secretary’s duty to administer stakeholder class election procedures as no longer required under AB 5X.

Change Number 15 (see Attachment B, p. 22): *Amendment of Bylaws (Article IX, Sections 3.1—3.2)* – permits amendments to bylaws with two-thirds Board vote, with EOB approval of amendments dealing with areas of exclusive state jurisdiction under SB 96. This provision, absent additional modifications now reflected to conform to AB 5X, was approved by the prior CAISO governing board but not acted upon by the EOB (or presented to FERC). With the changes made to conform to AB 5X, it now has been approved in its entirety by the current CAISO board.

Change Number 16 (see Attachment B, p. 23): *FERC Governance Review Filing (Article IX, Section 6)* – eliminates requirement that Board composition assure balance among stakeholder classes, and eliminate requirement to report to FERC on stakeholder governance structure as neither provision is necessary under AB 5X.